

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 30, 2007**

The Iowa Racing & Gaming Commission met on Thursday, August 30, 2007 at the Conference Center, Riverside Casino & Golf Resort, Riverside, Iowa. Commission members present were Kate Cutler, Chair; Gerry Bair, Vice Chair; and Commission members Diane Hamilton, Greg Seyfer and Toni Urban.

Chair Cutler called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Jack Ketterer, Administrator of IRGC, advised that Item 6 should read "Request for Approval to Withdraw Funds from the Escrow Fund". Commissioner Bair moved to approve the agenda as amended. Commissioner Seyfer seconded the motion, which carried unanimously.

Chair Cutler moved to the Welcome. Dan Kehl welcomed the Commission to Riverside on behalf of the 800 Iowa investors and 850 employees. He noted the upcoming weekend is the one year anniversary of the casino opening. The golf course opened on August 1. They and the Iowa Division of the Professional Golfer's Association (PGA) held a fundraiser for a new foundation – GIVE (Golf for Injured Veterans Everywhere). The kickoff fundraiser, held on August 29th, raised \$65,000. The purpose of the foundation is to teach injured veterans the game of golf to help with their mental and emotional well-being. Mr. Kehl noted that Riverside has received inquiries from three states that would like to mimic this program.

Tim Putney, President of the Washington County Riverboat Foundation, referenced the Commissioner's visit to view the proposed site at which Dan Kehl, family members and investors promised a \$65 million investment, 600 jobs, locally owned gaming facility in Washington County, Iowa. The promises have come to fruition with a \$130 million investment, over 800 jobs, and 30% of the casino is owned by Washington County residents. Of the over 800 jobs, over 30% are Washington County residents. Mr. Putney thanked the Kehl family and the investors for bringing the facility to Washington County.

Mr. Putney stated that the bar for gaming facilities in Iowa has been raised by the Riverside facility. The City of Riverside has a new water plant and sewer facility, and new opportunities to grow and expand the community. The Foundation has distributed or promised to distribute over \$5.2 million - \$243,000 donated to community schools; \$455,000 to local fire departments; \$407,000 to cities within Washington County; and over \$4.4 million to other county and community projects. He noted that as a result of the Foundation's \$300,000 contribution, the Lake Darling project has been able to secure

another \$2 million in state funds for a watershed project. Mr. Putney expressed the community's pride in having the facility in Riverside and Washington County.

Chair Cutler moved to the approval of the minutes from the July 12, 2007 Commission meeting. Hearing no comments, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the minutes for the July 12, 2007 Commission meeting as submitted. Commissioner Urban seconded the motion, which carried unanimously.

Chair Cutler called on Mr. Ketterer for announcements. Mr. Ketterer recognized the following individuals: IRGC employees, Gaming Representatives Scott Ditch and Sue Hansen; former IRGC employee Karlyn Dalsing; and Gene Meyer, Director of the Department of Public Safety, formerly Director of the Division of Criminal Investigation and Assistant Director for the Gambling Unit. Mr. Ketterer also welcomed Bob and Ruth Kehl, holders of the first riverboat license issued in Iowa.

Mr. Ketterer provided the following information concerning upcoming Commission meetings:

- October 9, 2007 Commission Meeting – Isle of Capri Waterloo, Waterloo, IA (Submissions due by September 25, 2007)
- November 8, 2007 Commission Meeting – Stoney Creek Inn, Johnston, IA (Submissions due by October 25, 2007)
- December 2007 – No Meeting
- January 10, 2008 Commission Meeting – Stoney Creek Inn, Johnston, IA (Submissions due by December 26, 2007)
- February – No Meeting
- Racing License and Granting of Race Dates and Racetrack Enclosure Gambling and Table Games License Renewals Due in the Des Moines Office September 10th by 4:30 PM

He noted the Waterloo meeting is on a Tuesday due to scheduling conflicts, and the November meeting is a little earlier due to G2E and the holidays.

Chair Cutler moved to contract approvals, and called on Harrah's. Michael Silberling, General Manager, presented the following contracts for Commission approval:

- Garner Printing – Direct Mail Pieces and Printing
- High Road Touring, Inc. – Entertainment Service for Harrah's Stir Concert Cove

Hearing no comments or questions, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts as submitted by Harrah's. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 07-74)

Chair Cutler called on Diamond Jo Worth (DJW). Jesus Aviles, General Manager, presented the following contracts for Commission approval:

- AON – Insurance Premiums
- Heartland Power Cooperative – Electrical Services
- Larson Contracting, Inc. – Steakhouse Renovation
- Precision Signs – Installation of Specialty Lighting System
- Preferred Health Choices – Employee Medical/Dental Premiums
- Shuffle Master, Inc. – Lease Payments & Specialty Games
- St. Paul Pioneer Press – Newspaper Advertising
- Young Electric Sign Company – Manufacturer of Custom Designed Lighting Systems

Commissioner Bair asked about the advertising contract with the St. Paul Pioneer Press, and if DJW did a lot of advertising in the Twin Cities. Mr. Aviles answered in the affirmative, and noted they also do some mailings.

Hearing no further comments or questions, Chair Cutler requested a motion. Commissioner Bair moved to approve the contracts as submitted by DJW. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 07-75)

Chair Cutler called on Wild Rose Emmetsburg (WRE). Amy Williams, General Manager, presented the following contracts for Commission approval:

- Sysco Food Services of Iowa – Food for Casino & Restaurant
- A to Z Enterprises – Equipment Rental for Special Events

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts as submitted by WRE. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 07-76)

Chair Cutler called on Argosy Casino Sioux City (Argosy). Rich Vitale, Director of Business and Legal Affairs for Argosy Gaming, presented a contract with Williams Gaming for the purchase of 25 new machines and related parts for Commission approval.

As there were no comments or questions, Chair Cutler requested a motion. Commissioner Urban moved to approve the contract as submitted by Argosy. Commissioner Bair seconded the motion, which carried unanimously. (See Order No. 07-77)

Chair Cutler called on Ameristar Casino. Teresa Meyer, General Manager, presented the following contracts for Commission approval:

- Greenburg Fruit Company – Produce
- Hunt/C. Rallo Builders – Preconstruction

- Premier Midwest Beverage – Alcoholic Beverages

Troy Stremming, Vice President of Legal and Government Affairs for Ameristar, presented the contract relating to the request for approval of the second amendment to the Credit Agreement. Mr. Stremming noted that Ameristar entered into a purchase agreement in April of this year to purchase Resorts International Casino in Chicago for \$675 million. Management members of Ameristar Casino, Inc. determined that the best way to finance the acquisition, plus ongoing capital improvement projects was to extend the borrowing capacity to \$600 million. The copies provided to the Commission indicate the credit agreement is being amended to \$550 million. Mr. Stremming advised that from the time he left Kansas City to attend the meeting, the amount was increased to \$600 million. He indicated the change in the amount is the only change from what was provided to the Commission previously.

Chair Cutler asked Mr. Stremming if he was asking the Commission to amend the amendment, and approve the request. Mr. Stremming advised that he had a hard copy of the amended credit agreement.

Hearing no further comments or questions, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts and the Second Amendment to the Credit Agreement as amended. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 07-78)

Chair Cutler called on Riverside Casino. Joe Massa, General Manager, presented the following contracts for Commission approval:

- Hawkeye Sports Properties, LLC – Marketing & Advertising Contract
- Brockway Mechanical & Roofing Company – Golf Course Maintenance Building HVAC/Plumbing
- Brockway Mechanical & Roofing Company – Golf Course Maintenance Building Roof/Siding
- Brockway Mechanical & Roofing Company – Golf Course Cart Storage Utilities & Plumbing
- DeVries Electric, Inc. – Golf Course Electrical – Maintenance Building
- Ahern's Concrete Floors, Inc. – Storage Building Golf Course

Contracts from 2006

- Sysco Food Services of Iowa – Food Purchases
- Trilix Marketing Group – Marketing & Advertising
- AmSan Nogg Chemical – Environmental Services Supplies
- Fleck Sales – Beverage Purchases
- Iowa Alcoholic Beverages Division – Alcoholic Beverages Purchases

Commissioner Seyfer asked Mr. Massa for an explanation about the 2006 contracts that are just now being presented. Mr. Massa accepted responsibility, indicating the facility

lost track of some of the contracts that were being done on an invoice or contract basis, and that there was a misunderstanding by staff as to what contracts had to be submitted for approval. Mr. Massa advised there were additional contracts that had been found that would be submitted at the October Commission meeting.

Hearing no further comments or questions, Chair Cutler requested a motion. Commissioner Urban moved to approve the contracts as submitted by Riverside. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 07-79)

Chair Cutler called on IOC Bettendorf (IOCB). Mo Hyder, General Manager, presented the following contracts for Commission approval:

- American Hotel Register – Provide Hotel Amenities & Supplies
- Staples Business Advantage – Office Supplies
- Sherwin Williams – Provide Carpet, Paint & Paint Supplies

Hearing no comments or questions, Chair Cutler requested a motion to approve the contracts. Commissioner Urban moved to approve the contracts as submitted by IOCB. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 07-80)

Chair Cutler called on Lakeside Casino. Damon Butler, General Manager, presented the following contracts for Commission approval:

- The Des Moines Register – Marketing Services – Advertising
- Martin Brothers – Food & Supplies

Hearing no comments or questions, Chair Cutler requested a motion to approve the contracts. Commissioner Hamilton moved to approve the contracts as submitted by Lakeside. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 07-81)

Chair Cutler called on Horseshoe Casino/Bluffs Run Greyhound Park. Mr. Silberling presented the following contracts for Commission approval:

- 5M Music LLC d/b/a Steven Mai – Asian Entertainment Programming Services
- Dell Marketing, LP – Additional Computers and Equipment
- HBR Realty Company, Inc. – Second Amendment to Lease

Mr. Silberling advised that the Second Amendment to the Lease with HBR Realty Company is a result of the Iowa West Racing Association requesting indemnity on the new hotel project.

Hearing no comments or questions for Mr. Silberling, Chair Cutler requested a motion. Commissioner Bair moved to approve the contracts as submitted by Horseshoe Casino/Bluffs Run Greyhound Park. Commissioner Urban seconded the motion, which carried unanimously. (See Order No. 07-82)

Chair Cutler called on Dubuque Greyhound Park & Casino (DGP&C). Bruce Wentworth, General Manager, presented the following contracts for Commission approval:

- Cottingham & Butler Insurance – Property & Casualty Insurance (Revise RTA 6095)
- Mulgrew Oil Company – Promo Gas Cards for Rich Rewards Promos
- Lamar Companies – Outdoor Billboard 305533
- Lamar Companies – Outdoor Billboard 305532
- Lamar Companies – Outdoor Billboard 305531
- Wasker, Dorr, Wimmer & Marcouiller, PC – Lobbying Services

Hearing no comments or questions, Chair Cutler requested a motion. Commissioner Seyfer moved to approve the contracts as submitted by DGP&C. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 07-83)

Commissioner Bair asked if the lobbying services contract was specifically for DGP&C, and if each casino has their own lobbyist. Mr. Wentworth stated that he could not speak to the second question, but advised that DGP&C has consistently had its own lobbyist for a number of years.

Chair Cutler called on the Iowa Greyhound Association (IGA). Jim Quilty, legal counsel, noted that one of the items before the Commission for consideration at the July meeting was a proposal by Bluffs Run to hold a concert on the infield at Horseshoe Casino/Bluffs Run Greyhound Park (HC/BRGP). Although the proposal was denied, the IGA decided that they needed to be more proactive in trying to partner with the two tracks to promote interest in greyhound racing. The IGA members came up with the idea of a Harley Davidson Give-Away, and provided the Commission with the details. IGA's proposal requests permission to withdraw the necessary funds, approximately \$20,000, to purchase two motorcycles – one to give away at Bluffs Run and the other at DGP&C. Mr. Quilty stated that IGA decided to go with a give away drawing as it is a proven way to attract new patrons to a facility. That said, not knowing if the give away would prove successful, the IGA did not feel it was fair to ask the tracks to carry all the weight of the give away. The IGA felt the escrow fund presented a good source of seed money to fund this promotion and give the IGA and the tracks the ability to study the numbers to determine the success of the promotion.

Mr. Quilty advised that the IGA is requesting a conditional approval of the withdrawal of the funds from the escrow account based on their ability to work with the two tracks to see if all parties can agree on guidelines for the promotion that would keep it from being

a gambling game, and make sure that the promotion is run in a way that is consistent with the casino's standards.

Lorraine May, legal counsel for Horseshoe Casino/Bluffs Run Greyhound Park, applauded the IGA for their work on this proposal, noting that the discussions have progressed significantly since the idea was first proposed. She stated that Bluffs Run runs the richest race in the nation, and 2-3 year ago, they spent more money promoting the race than the entire state of Iowa wagered on the race. Ms. May indicated that Bluffs Run would be supportive of any proposal that would bring additional patrons to greyhound racing. That being said, she noted that the escrow fund was originally established to support purses, and questions whether this proposal is an acceptable use of the interest earned by the escrow fund. Ms. May stated that not only is Bluffs Run committed to the integrity of racing in Iowa, but also any promotions and gambling games.

Mr. Wentworth advised that DGP&C does not expect to share in the escrow fund; the money resides over 400 miles away. He indicated that his underlying concern is the precedence that could be set; noting that DPG&C has approximately 500 not-for-profit organizations apply for funds from the Dubuque Racing Association, and therefore, being asked to allow other not-for-profit organizations to hold promotions.

Mr. Ketterer recommended that the request to withdraw funds be conditionally approved conditioned on Bluffs Run and IGA submitting the details in a letter to staff. After review by the staff, the withdrawal of funds could proceed. Mr. Ketterer stated that he agreed with Ms. May's comment that the escrow fund was generated for the purpose of supplementing purses at Bluffs Run, not DGP&C, and feels use of the fund should be restricted to Bluffs Run. He indicated that if the parties can come to an agreement on a promotion that would benefit and promote the greyhound industry, they could submit a joint letter to the Commission for review.

Commissioner Bair stated that he heard Ms. May state that the request was not in the spirit of why the fund was created. Mr. Ketterer clarified that Ms. May was questioning the use of the fund to conduct a promotion at Dubuque, not that the proposal was not in the spirit of the fund.

Hearing no further comments or questions, Chair Cutler requested a motion. Commissioner Bair moved to grant conditional approval for the withdrawal of funds from the escrow account based on the parties submitting a letter to the Commission setting forth the details of the promotion for staff review and approval. Commissioner Seyfer seconded the motion.

Commissioner Urban questioned why the Commission did not wait for the details to come in before taking action. Mr. Ketterer advised there is a timing issue as IGA wants to hold the promotion in connection with a race at Bluffs Run on November 3rd, and would like to start the promotion prior to October 9th.

Hearing no further comments or questions, Chair Cutler called for the vote. The motion carried unanimously. (See Order No. 07-84)

Chair Cutler moved to the next agenda item and called on Royal Roland, President of the Iowa Harness Horsemen's Association (IHHA), who provided the Commission with an update regarding the Association's negotiations with Prairie Meadows Racetrack & Casino (PMR&C) for a purse supplement for the upcoming meet. He noted that IHHA representatives met with PMR&C representatives on Tuesday, and PMR&C is presenting a 3-year proposal for purses, racing days and county fair support. He stated the proposal includes a modest increase from 2006. Mr. Roland stated the IHHA was committed to reaching an agreement prior to the October 9 Commission meeting that benefited all parties involved. The IHHA is committed to reaching an agreement with PMR&C to help promote the industry and spare the Commission having to mediate another disagreement between the parties.

Chair Cutler called on PMR&C. Gary Palmer, General Manager, presented the Agreement Pertaining to Racing at Prairie Meadows for 2007 Season (Standardbred Horses).

Chair Cutler called for any comments or questions, and specifically called on Mr. Ketterer. Mr. Ketterer stated the agreement was straight-forward. As there were no additional comments, Chair Cutler requested a motion. Commissioner Bair moved to approve the Agreement Pertaining to Races between the IHHA and PMR&C as submitted. Commissioner Seyfer seconded the motion.

Commissioner Bair asked Mr. Palmer what PMR&C was taking away from the 2007 process that would prove beneficial in the future. Mr. Palmer advised that longer term contracts are better for everyone involved in terms of being able to plan.

Hearing no further comments or questions, Chair Cutler called for the vote. The motion carried unanimously. (See Order No. 07-85)

Chair Cutler moved to the request to change the post times during the upcoming harness meet. Derron Heldt, Director of Racing, stated that when the license renewal application and race dates were originally submitted, the request was for a 4:00 PM post time; the request is to change the post time to 5:00 PM. Mr. Heldt advised that the IHHA was in agreement.

Commissioner Bair asked the significance of the change. Mr. Heldt advised the later start time would allow more individuals to reach the track in a timely manner in order to watch the harness races.

Hearing no further comments or questions concerning the change in post time, Chair Cutler requested a motion. Commissioner Urban moved to approve the change in post

time from 4:00 PM to 5:00 PM for the 2007 Harness Meet at PMR&C. Commissioner Hamilton seconded the motion, which carried unanimously. (See Order No. 07-86)

Chair Cutler moved to the next item under PMR&C – a report on artificial racetrack surfaces. Mr. Ketterer suggested taking up the contracts prior to this report. Mr. Palmer presented the following contracts for Commission approval:

- Audiovisual, Inc. – Audio/Visual Equipment, Parts & Services
- Bally Gaming – Slot Game Equipment – Lease
- Bally Gaming – Slot Game Equipment – Purchase
- Deever's Roofing – Roof Replacement Contractor
- Delta Dental Plan of Iowa – Dental Insurance for Employees
- Farner Bocken – Candy, Food, Tobacco & Other Supplies
- Park Avenue Laundry Services – Laundry & Linen Services
- Shuffle Master – Slot Game Equipment – Lease
- Shuffle Master – Slot Game Equipment – Purchase
- Sysco Food Services of Iowa – Purchase of Food, Equipment, Service & Supplies
- Wellmark Blue Cross Blue Shield of Iowa – Medical Insurance for Employees

Hearing no comments or questions concerning the contracts, Chair Cutler requested a motion. Commissioner Hamilton moved to approve the contracts as submitted by PMR&C. Commissioner Seyfer seconded the motion, which carried unanimously. (See Order No. 07-87)

Chair Cutler returned to the racetrack surface report. Mr. Palmer distributed copies of the presentation and a letter from horse owner Maggi Moss. A copy of the presentation is available in the Commission's Des Moines office. Some highlights of the presentation are as follows:

- Four Types of Surface: Cushion; Pro Ride; Tapeta Footing; and Polytrack (Polytrack has been installed at more racetracks than any other surface)
- Benefits of these surfaces: Maintenance costs reduced; Surface kickbacks reduced; Safer and Kinder for Horses; Less affected by rain/drought conditions
- Unknowns: Surface life; Long Term Impact; Health and Environmental Issues; Feasibility of Quarter Horse and Harness racing; Maintenance for the Iowa climate; and contamination.

Mr. Palmer noted that thoroughbreds have run on the above surfaces at a number of racetracks around the country; however, no quarter horse or standardbred races have been run on any of the synthetic surfaces as of this date.

Commissioner Bair asked how many tracks PMR&C representatives visited. Mr. Palmer advised they had traveled to Arlington Park, Keeneland, Turfway, Hollywood and Santa Anita. He indicated that PMR&C requested the same information from all of the tracks, even those they did not visit in order to obtain a clear picture. Mr. Palmer advised they are getting mixed signals in their discussions with owners, track representatives and veterinarians, however, Mr. Palmer noted that in most cases it is too early for individuals to make a judgment on the long term effect of the synthetic surfaces. Everyone does agree that there is no surface that will prevent all injuries. Mr. Palmer stated that PMR&C management and the Board of Directors don't want to invest a large amount of money in a synthetic surface until more research is done.

Commissioner Hamilton asked about the ability of quarter horses and standardbreds to race on these surfaces. Mr. Palmer stated PMR&C representatives heard that Keeneland brought some standardbreds in from Red Mile to try the surface. Their times were slower on a dry track; however, if there was any moisture or dew, the surface was like ice for the standardbreds. Mr. Palmer stated they were unable to find much information regarding quarter horses and the synthetic surfaces. He noted there were representatives from the various horsemen's associations in attendance to address this issue.

Commissioner Bair asked if all three breeds run on a similar track at PMR&C. Mr. Palmer answered in the affirmative.

Butch Hammer, President of the Quarter Horse Racing Association and Chairman of the Quarter Horse Racing Council, stated that during their recent annual meeting, synthetic surfaces were a topic of discussion. He noted that Los Alamedas, one of the premier quarter horse tracks in the country, has not done any testing of quarter horses on the surfaces. Mr. Hammer advised the industry is concerned about slippage coming out of the gates; noting the horses can reach speeds of 50-55 miles per hour coming out of the second or third gate. He stated that he had asked PMR&C if they would be willing to send some quarter horses, jockeys and trainers to Arlington to do some timing/testing of the synthetic surface. Mr. Hammer expressed his opinion that it is too early to pass judgment on the tracks, and suggested that some testing be done in 2008. He pointed out that these tracks can cost approximately \$10 million. Mr. Hammer stated that representatives of Arlington have indicated that horses shipped in for championship races experienced slower times as they are not accustomed to the synthetic surface.

Butch Bain, an Iowa thoroughbred and quarter horse owner, stated that the ability of quarter horses to race on the synthetic tracks is unproven at this time, and expressed concern about racing on the surface.

Jeff Johnston, President of the Jockey Guild, stated that he approved of the proactive approach the Commission was taking in this matter. He indicated that he had the same concerns as had previously been set forth. Mr. Johnston stated that he had an opportunity to ride on a Polytrack surface at Turfway; he stated that it is still a work in progress but it seemed safer. He pointed out the difference in weather conditions between Turfway and

PMR&C. Mr. Johnston stated that he polled the jockeys at PMR&C and across the country, and advised the Commission that most have not developed an opinion as they have not had an opportunity to ride on one of the tracks. Mr. Johnston expressed some concern regarding health hazards as some jockeys have experienced bloody noses and respiratory problems. He indicated that no testing has been done to determine the long term health hazards of the synthetic track surfaces, and that they are still a work in progress.

Commissioner Bair asked about heat reflecting off the track surfaces. Mr. Johnston advised there is a considerable amount of odor that emanates from some of the surfaces when they are hot; and becomes rubbery. Mr. Johnston stated that he is not comfortable with a mandatory order to replace track surfaces with the synthetic surfaces due to the lack of research on environmental and health issues. He encouraged PMR&C to continue to research the area.

Commissioner Hamilton asked Dr. Keith Soring, Interim Director of Racing and State Veterinarian at PMR&C, if he had any information on the effect of the synthetic tracks on the horses. Dr. Soring stated that since the tracks started appearing several years ago, regulatory vets and practicing veterinarians have been watching the results. He noted equine veterinarians are meeting in Orlando in December and one of the topics to be discussed is the synthetic track surfaces. Dr. Soring advised that he had spoken with the veterinarian at Arlington who indicated the track seems to be kinder and safer for horses; that breakdowns are down approximately 50%. Dr. Soring advised that from May 1 through August 1, 2006, approximately 250 horses were x-rayed for injuries; during the same time frame this year, only 105 horses were seen. He indicated that some of the information being disseminated regarding the track surfaces is incorrect. There is no way to determine the long-term health issues the horses may face; however, most horses cough when coming back after racing on a synthetic surface but this symptom is easily cleared.

Commissioner Hamilton requested a report from Dr. Soring at the January meeting regarding the discussion at the Orlando conference. Dr. Soring advised that several tracks, including PMR&C, are participating in a study gathering statistics on track injuries, break downs, etc. This is an area of the industry that is receiving much scrutiny.

Commissioner Urban asked where the track surfaces were produced. Dr. Soring indicated he was not sure, but believed they were produced overseas and shipped to the United States and are mostly comprised of recycled material. Mr. Palmer concurred with Dr. Soring's statement.

Commissioner Bair asked Mr. Palmer about the timing for installing the tracks. Mr. Palmer stated that Arlington started in early spring. The old surface has to be removed, a new base installed, sprinkler system, etc. He estimated the process could take between three and four months. The synthetic tracks require less maintenance so the racetracks are able to do away with the track watering trucks.

Mr. Palmer noted that PMR&C representatives are very concerned about the safety of their track, but are also very conscious about expenses and doing things the right way. He stated that PMR&C still has some questions. He pointed out that Turfway and Keeneland are still in the process of re-working their surfaces. Mr. Palmer requested additional time to do more research and would like to make another report on their findings next September.

Mr. Ketterer congratulated PMR&C on their presentation, indicating that it was what the Commission contemplated when they asked for this report in April. He indicated that he would agree with just about everything that was voiced. Mr. Ketterer advised that of the eight tracks referenced in the presentation, three raced on the synthetic surfaces for the first time this fall, and three others have not conducted any racing on their surfaces as of yet. Mr. Ketterer would like to see additional information gathered, especially on how the climate and moisture impact the surface. With the synthetic surface at Del Mar, Mr. Ketterer noted that the track appears to be faster in the morning, but the horses labor in the afternoon. He requested that PMR&C present additional information at approximately two month intervals. At the next report, Mr. Ketterer indicated that he would like to see PMR&C update the present information with what has occurred at the tracks that just started racing on the synthetic tracks so that PMR&C has a better idea of what they are getting into. There is some urgency on behalf of the Commission as all of the tracks that have initiated racing on the synthetic tracks have indicated the increased safety to the horses, which translates to a safer ride for the jockeys. He noted that other problems could be worked out as they arise.

Chair Cutler called for any other comments or questions. Commissioner Urban noted that she sees numerous commercials for other casinos, and wondered if PMR&C has done any advertising on television. Mr. Palmer advised that PMR&C does a lot of direct mailing, and advertises on television and radio as well. He stated that PMR&C does as much broadcasting as they feel is necessary at the time. One of the issues facing PMR&C is the short time they have to repay any borrowed funds (8 years between referendums). They will be working to get the Legislature to pass legislation removing the referendum requirement.

As there was no Administrative Business or Public Comment, Chair Cutler requested a motion to adjourn. Commissioner Hamilton so moved. Commissioner Urban seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK